(e) whether Government is contemplating the introduction of a new foreign currency scheme and if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) No, Sir.

(b) The Balances in NRE/FCNR Accounts maintained by Non-Resident Indians/Persons of Indian Origin with Banks in India at the end of March, 1987 were as follows:—

(Rupees in Crores)

NRE Accounts	FCNR $Accounts	FCNR £ STG. Accounts	TOTAL
4336 20	3047 10	464.01	7847.31

(c) Yes, Sir.

(d) Yes, Sir.

(e) Government is contemplating measures to further attract remittances/investments from Non-Resident Indians on a non-repatriation basis. Details of the Scheme have not yet been finalised.

Credit deposit ratio of Banks

3079. SHRI RAOOF VALIULIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that credit deposit ratio of the commercial banks has been showing downward trend over the years; if not, what was it in 1970 and in January 1987;

(b) what is the low C:D ratio in some States attributed to and whether R.B.I. has suggested some measures to improve the same; and

(c) what are the total advances of all scheduled commercial banks at the end of 1986, State-wise and the reasons for the uneven dispersal of bank credit in different States and regions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Credits deposit ratio of Scheduled Commercial Banks declined from 75.9 per cent in December 1970 to 63.0 per cent in December 1986.

(b) and (c) State-wise aggregate advances of all Scheduled Commercial Banks as at the end of December 1986 are set out in the Statement (See below) Credit Deposit ratio of a particular area depends upon the level of economic activity and demand for credit which in turn is influenced by several factors such as the state of infrastructural facilities—adequate and uninterrupted supply of power and transport, marketability of products, existing local entrepreneurships in various field—as well as reasonable expectation of loan recoveries and cooperation from local Government machinery. Credit deployment by banks in various States is monitored by the State Level Bankers, Committees—State Governments—and the Reserve Bank of India. Reserve Bank of India has also advised the banks to ensure that wide disparities in credit deployment among various States/regions are avoided and to extend credit support for all productive and identified viable proposals in deficient areas. They have also been advised to ensure that credit; deposit ratio of their branches located in rural and semi-urban areas separately reaches a minimum of 60 per cent. The implementation by banks of Annual Action Plans, District Credit Plans and the lead bank schemes are expected to increase the flow of credit to deficient areas.

Statement

State wise Advances of all Scheduled Commercial Banks December 1986

(Amount in Rs. crores)

State/Region/Union Territory	Advances
I. *NORTHERN REGION*	**12314**
Haryana	1286
Himachal Pradesh	264
Jammu & Kashmir	421
Punjab	**2394**
Rajasthan	**1696**
Chandigarh	1240
Delhi	5064
II. *NORTH-EASTERN REGION*	**829**
Assam	603
Meghalaya	49
Manipur	29
Nagaland	-
Tripura	75
Arunachal Pradesh	1
Mizoram	1
Sikkim	14
III. *EASTERN REGION*	**8099**
Bihar	**1787**
Orissa	1067
West Bengal	**5235**
Andaman & Nicobar Islands	1
IV. *CENTRAL REGION*	**6807**
Madhya Pradesh	2264
Uttar Pradesh	4543
V. *WESTERN REGION*	**19053**
Gujarat	**3462**
Maharashtra	15313
Goa, Daman & Diu	273
Dadra & Nagar Haveli	1

State/Region/Union Territory	Advances
VI. *SOUTHERN REGION*	17575
Andhra Pradesh	4602
Karnataka	4327
Kerala	2690
Tamil Nadu	6031
Pondicherry	84
Lakshadweep	1
ALL-INDIA	64677

NOTE : 1. Total may not add up due to rounding differecnes.
2. Data are provisional.

Overdues of Public Sector Banks

3080. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the R.B.I. has issued revised guidelines to safeguard against misuse of bank accommodations if so, what promoted R.B.I. to issue these;

(b) what were the total overdues of public sector banks at the end of 1986 and its percentage to total outstanding advances;

(c) what is the outstanding credit for sick industrial units and what steps are being taken to effect a substantial recovery of overdues; and

(d) what is the total amount the banks have written off so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) The Reserve Bank of India issues guidelines from time to time covering various aspects of credit policy which includes necessary steps to ensure that, as far as possible, the bank assistance is not misused. R.B.I. advised banks to introduce a comprehensive and uniform grading system to indicate the health of individual advances and accordingly classify them in eight distinct categories. This was done with a view to facilitate close monitoring of sticky advances and eventually reduce the incidence of bad debts.

(b) The total overdues of Public Sector Banks as at the end of June 1986 stood at Rs. 7846 crores constituting 15.36 per cent of their total outstanding advances.

(c) The total amount of outstanding credit for sick industrial units stood at Rs. 4665 crores as at the end of June 1986.

With a view to improving recovery performance, the Reserve Bank of India has issued guidelines to the Banks for taking effective measures like strengthening of the organisational structure, adopting of schematic appraisal systems, post lending supervision and launching of recovery drives with the help of State Governments. Banks have also been advised to create separate 'Recovery Cell' for a cluster of nearby branches for continuous and effective supervision. Recovery position has also to be reviewed periodically by the Board of Directors of the Banks.